

YORK COLLEGE ASSOCIATION, INC.
Financial Statements and
Supplementary Information
June 30, 2019 and 2018
(With Independent Auditors' Report Thereon)

YORK COLLEGE ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
York College Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of York College Association, Inc. (the Association) as of and for the years ended June 30, 2019 and 2018, and related notes to financial statements, which collectively comprise the Association's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of York College Association, Inc. as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 1, 2019

YORK COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis

June 30, 2019

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of York College Association, Inc.'s (the Association) financial position as of June 30, 2019, and changes in its net position for the year then ended. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- The Association's net position increased by \$19,808 or 2%.
- Operating revenue decreased by \$39,791 or 3%.
- Operating expenses decreased by \$240,389 or 16%.

Financial Position

The Association's net position, the difference between assets and liabilities, is one way to measure the Association's financial health. Over time, increases and decreases in the Association's net position is one indicator of whether its financial health is improving.

Statements of Net Position

The following summarizes the Association's assets, liabilities and net position as of June 30, 2019 and 2018, under the accrual basis of accounting:

	<u>2019</u>	<u>2018</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 400,108	693,406	(293,298)	(42%)
Noncurrent assets	<u>804,945</u>	<u>720,032</u>	<u>84,913</u>	12%
Total assets	<u>1,205,053</u>	<u>1,413,438</u>	<u>(208,385)</u>	(15%)
Liabilities	<u>132,859</u>	<u>361,052</u>	<u>(228,193)</u>	(63%)
Net position:				
Net investment in capital assets	45,027	599	44,428	7,417%
Unrestricted	<u>1,027,167</u>	<u>1,051,787</u>	<u>(24,620)</u>	(2%)
Total net position	\$ <u>1,072,194</u>	<u>1,052,386</u>	<u>19,808</u>	2%

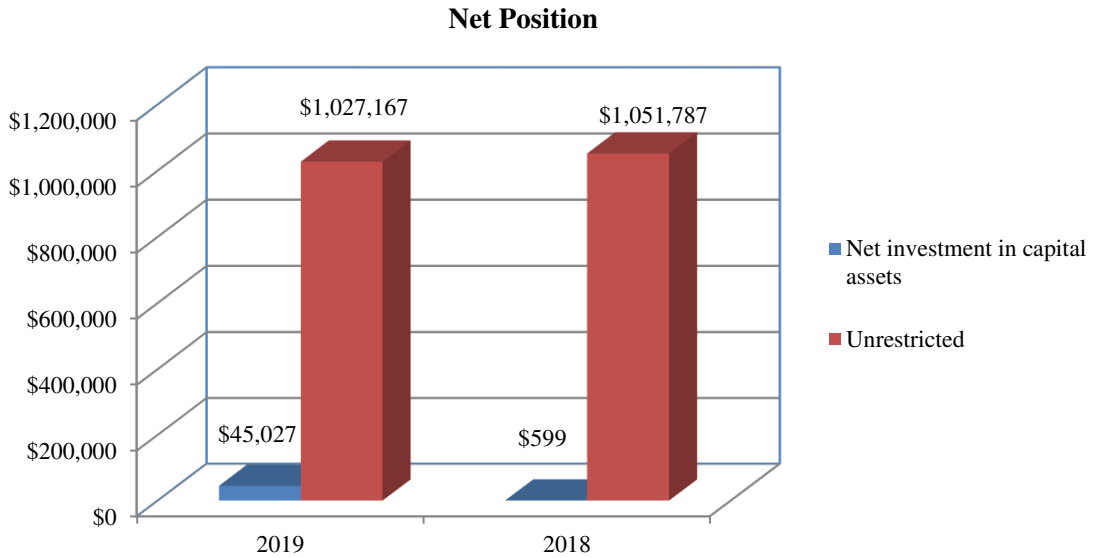
YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

At June 30, 2019, the Association's total assets decreased by \$208,385 or 15%, compared to the previous year. The majority of this variance was attributable to a decrease in cash and equivalents due to payments made for campus mapping software and computers for the student government lab that totaled \$45,027 and \$124,923, respectively.

At June 30, 2019, the Association's total current liabilities decreased by \$228,193 or 63%, compared to the previous year. This variance was related to a decrease in accounts payable and accrued expenses of \$93,115, primarily due to a large payment for the purchase of computers for students' use.

There were no other significant or unexpected changes in the Association's assets and liabilities.

The following illustrates the Association's net position at June 30, 2019 and 2018 by category:



YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position present the operating results of the Association, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2019 and 2018 are as follows:

Revenue

	<u>2019</u>	<u>2018</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 961,315	969,474	(8,159)	(1%)
Donated space and services	234,216	262,671	(28,455)	(11%)
Other	<u>2,558</u>	<u>5,735</u>	<u>(3,177)</u>	(55%)
Total operating revenue	<u>1,198,089</u>	<u>1,237,880</u>	<u>(39,791)</u>	(3%)
Nonoperating revenue:				
Interest income	11,521	3,323	8,198	247%
Net appreciation of investments	<u>31,196</u>	<u>42,844</u>	<u>(11,648)</u>	(27%)
Total nonoperating revenue	<u>42,717</u>	<u>46,167</u>	<u>(3,450)</u>	(7%)
Total revenue	\$ <u>1,240,806</u>	<u>1,284,047</u>	<u>(43,241)</u>	(3%)

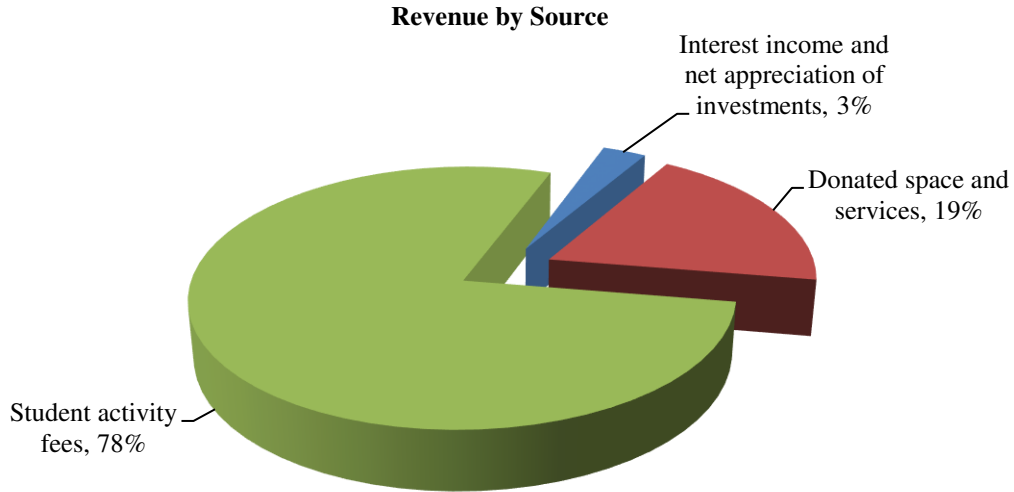
The Association's total revenue for the year ended June 30, 2019 amounted to \$1,240,806, a decrease of \$43,241 or 3%, compared to the previous year. The major components of this variance relates to decrease in student activity fees and donated space and services of \$8,159 and \$28,455, respectively. Student activity fees decreased primarily due to a decrease in student activity rates and donated space and services decreased largely due to changes in board member rates. Additionally, nonoperating revenue decreased due to a smaller return on investment this fiscal year.

Student activity fees represented approximately 78% of total revenue and, accordingly, the Association is dependent upon this level of support to carry out its operations.

There were no other significant or unexpected changes in the Association's revenue.

YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

The following illustrates the Association's revenue, by source, for the year ended June 30, 2019:



Expenses

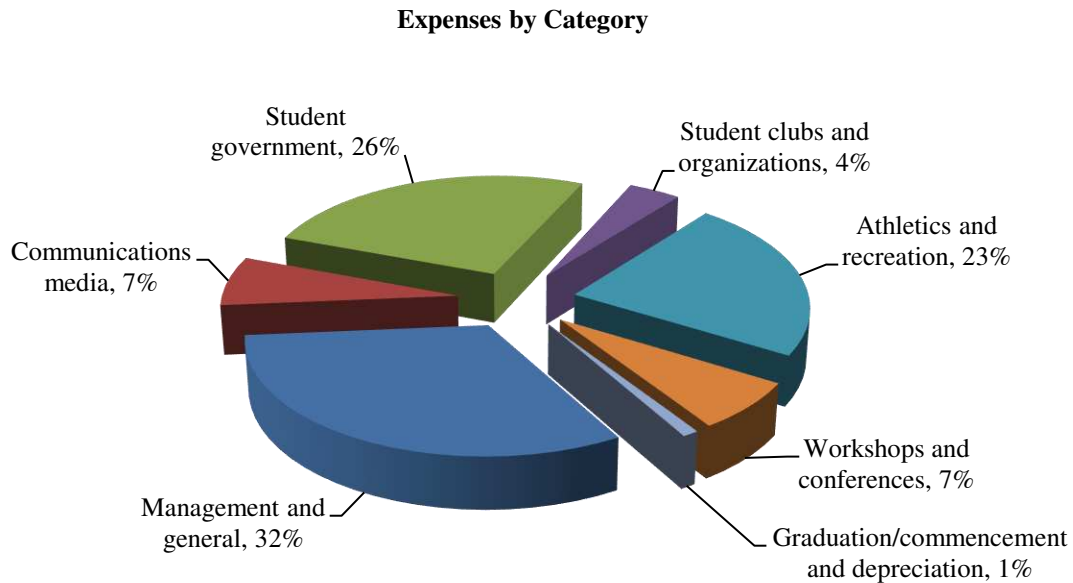
	<u>2019</u>	<u>2018</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 318,965	536,863	(217,898)	(41%)
Communications media	82,056	46,742	35,314	76%
Workshops and conferences	80,075	92,654	(12,579)	(14%)
Graduation/commencement	4,198	17,684	(13,486)	(76%)
Student clubs and organizations	55,270	92,247	(36,977)	(40%)
Athletics and recreation	284,064	252,501	31,563	13%
Management and general	395,771	417,213	(21,442)	(5%)
Depreciation	<u>599</u>	<u>5,483</u>	<u>(4,884)</u>	(89%)
Total operating expenses	1,220,998	1,461,387	(240,389)	(16%)
Nonoperating expense - College support	<u>-</u>	<u>500,000</u>	<u>(500,000)</u>	(100%)
Total expenses	\$ <u>1,220,998</u>	<u>1,961,387</u>	<u>(740,389)</u>	(38%)

YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

Total expenses for the year ended June 30, 2019 were \$1,220,998, a decrease of \$740,389 or 38%, compared to the previous year. The major components of this variance were related to decreases in student government and College support of \$217,898 and \$500,000, respectively. Student government decreased primarily due to the purchase of furniture and computers for campus wide use in fiscal year 2018 that totaled \$173,702, in fiscal year 2019 this did not occur. College support decreased as last fiscal year there was a one-time transfer of \$500,000 to CUNY to assist in the maintenance and repair of the College's track and field.

There were no other significant or unexpected changes in the Association's expenses.

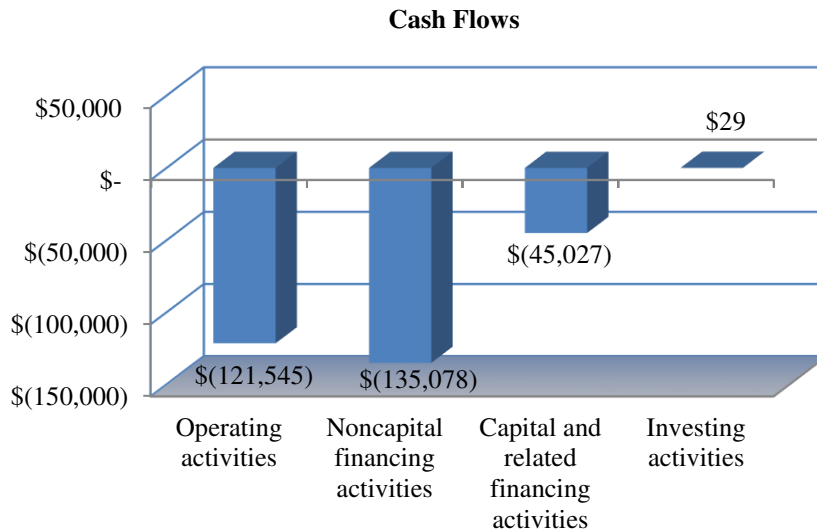
The following illustrates the Association's expenses, by category, for the year ended June 30, 2019:



YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement assists users to assess the Association's ability to generate net cash flows, meet its obligations as they come due, and its dependency on external financing. The following summarizes the Association's cash flows for the year ended June 30, 2019:



Economic Factors That May Affect the Future

There are no known economic factors that may influence the future, with the exception of student enrollment, which directly relates to the amount of revenue earned, as well as related expenses incurred.

YORK COLLEGE ASSOCIATION, INC.
 Statements of Net Position
 June 30, 2019 and 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and equivalents (note 3)	\$ 220,215	521,836
Accounts receivables:		
Activity fees	105,658	97,935
Advance	-	70
Total accounts receivables	<u>105,658</u>	<u>98,005</u>
Prepaid insurance	5,201	6,734
Investments, short-term	<u>69,034</u>	<u>66,831</u>
Total current assets	<u>400,108</u>	<u>693,406</u>
Noncurrent assets:		
Investments, long-term (note 4)	759,918	719,433
Capital assets, net (note 5)	<u>45,027</u>	<u>599</u>
Total noncurrent assets	<u>804,945</u>	<u>720,032</u>
Total assets	<u>1,205,053</u>	<u>1,413,438</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	104,142	197,257
Due to York College entities (note 7)	26,345	161,502
Deposits held in custody for others (note 8)	<u>2,372</u>	<u>2,293</u>
Total current liabilities	<u>132,859</u>	<u>361,052</u>
<u>Net Position</u>		
Net investment in capital assets	45,027	599
Unrestricted	<u>1,027,167</u>	<u>1,051,787</u>
Total net position	<u>\$ 1,072,194</u>	<u>1,052,386</u>

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenue:		
Student activity fees	\$ 961,315	969,474
Donated space and services (note 6)	234,216	262,671
Other	<u>2,558</u>	<u>5,735</u>
Total operating revenue	<u>1,198,089</u>	<u>1,237,880</u>
Operating expenses:		
Student government	318,965	536,863
Communications media	82,056	46,742
Workshops and conferences	80,075	92,654
Graduation/commencement	4,198	17,684
Student clubs and organizations	55,270	92,247
Athletics and recreation	284,064	252,501
Management and general	395,771	417,213
Depreciation (note 5)	<u>599</u>	<u>5,483</u>
Total operating expenses	<u>1,220,998</u>	<u>1,461,387</u>
Loss from operations	<u>(22,909)</u>	<u>(223,507)</u>
Nonoperating revenue (expenses):		
Interest income	11,521	3,323
Net appreciation of investments	31,196	42,844
College support	<u>-</u>	<u>(500,000)</u>
Total nonoperating revenue (expenses)	<u>42,717</u>	<u>(453,833)</u>
Change in net position	19,808	(677,340)
Net position at beginning of year	<u>1,052,386</u>	<u>1,729,726</u>
Net position at end of year	<u>\$ 1,072,194</u>	<u>1,052,386</u>

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.
 Statements of Cash Flows
 Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 953,592	955,395
Other	2,628	5,665
Cash payments to/for:		
Employees' salaries and benefits	(120,828)	(146,083)
Services	(207,342)	(196,677)
Vendors	<u>(749,595)</u>	<u>(703,263)</u>
Net cash used in operating activities	<u>(121,545)</u>	<u>(84,963)</u>
Cash flows from noncapital financing activities:		
Decrease in due to York College entities	(135,157)	(39,396)
Increase (decrease) in deposits held in custody for others	79	(1,252)
College support	<u>-</u>	<u>(500,000)</u>
Net cash used in noncapital financing activities	<u>(135,078)</u>	<u>(540,648)</u>
Cash flows from capital and related financing activities - capital assets acquired	<u>(45,027)</u>	<u>-</u>
Cash flows from investing activities - interest and dividends	<u>29</u>	<u>35</u>
Net change in cash and equivalents	(301,621)	(625,576)
Cash and equivalents at beginning of year	<u>521,836</u>	<u>1,147,412</u>
Cash and equivalents at end of year	<u><u>\$ 220,215</u></u>	<u><u>521,836</u></u>

(Continued)

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.
Statements of Cash Flows, Continued

	<u>2019</u>	<u>2018</u>
Reconciliation of loss from operations to net cash used in operating activities:		
Loss from operations	\$ (22,909)	(223,507)
Adjustments to reconcile loss from operations to net cash used in operating activities:		
Depreciation	599	5,483
Changes in:		
Accounts receivable	(7,653)	(14,149)
Prepaid insurance	1,533	(4,408)
Accounts payable and accrued expenses	<u>(93,115)</u>	<u>151,618</u>
Net cash used in operating activities	<u>\$ (121,545)</u>	<u>(84,963)</u>
Supplemental schedule of cash flow information:		
Donated space and services revenue	<u>\$ 234,216</u>	<u>262,671</u>
Professional services	230,620	259,423
Facilities	<u>3,596</u>	<u>3,248</u>
Donated space and services expense	<u>\$ 234,216</u>	<u>262,671</u>

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2019 and 2018

(1) Nature of Organization

The York College Association, Inc. (the Association) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of York College (the College) of the City University of New York (CUNY or the University). The Association was incorporated on February 24, 1984.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Association's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements.

For financial reporting purposes, the Association is considered to be a special-purpose entity engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Association is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Association's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the Association to maintain them in perpetuity.

Restricted - expendable - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Association or the passage of time.

Unrestricted - All other net position including net position designated by actions, if any, of the Association's Board of Directors.

At June 30, 2019, the Association had no restricted net position.

(c) Cash and Equivalents

Cash and equivalents are comprised of highly liquid instruments with original maturities of 90 days or less.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(d) Accounts Receivable

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(e) Investments

The Association has investments held by CUNY in an investment pool which is under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY (the Committee) totaling \$799,914 and \$757,298 at June 30, 2019 and 2018, respectively. Several investment advisory firms are engaged to assist the Committee in its investment pool portfolio management, which is comprised of cash and cash equivalents, corporate bonds, equities, mutual funds, U.S. agency mortgage-backed securities, U.S. government bonds and foreign bonds. The Association also has investments in money market accounts which are reported at their fair values of \$29,038 and \$28,966 at June 30, 2019 and 2018, respectively. Realized and unrealized gains and losses are included in the statements of revenue, expenses and changes in net position.

(f) Fair Value Measurements and Disclosures

Custodial credit risk as it relates to investments is the risk that in the event of failure of the counterparty of a transaction, the Association will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. At June 30, 2019, the Association's entire investment portfolio balance of \$799,914 was exposed to custodial credit risk, as it was uninsured and uncollateralized.

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Fair Value Measurements and Disclosures, Continued

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2019.

At June 30, 2019 and 2018, the Association's money market accounts of \$29,038 and \$28,966, respectively, are Level 1 assets.

(g) Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of contribution, if donated. In accordance with the Association's capital asset policy, capital assets are defined as any asset with a useful life of at least two years and a cost or value at the time of receipt of \$5,000 or more for computer hardware and for all other furniture and equipment. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of furniture, fixtures and equipment is five years.

(h) Revenue Recognition

Operating revenue is recognized in the period earned and is primarily derived from student activity fees levied by a resolution of the Board of Directors of the University and collected by the College on the Association's behalf.

(i) Donated Space and Services

The Association operates on the campus of the College and utilizes office space and equipment, as well as personal services of certain college employees. The cost savings associated with such arrangements are recorded as donated space and services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such space and services (note 6).

(j) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenue, expenses and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(k) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(l) Subsequent Events

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(m) Income Taxes

The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Association has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Association presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Association has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Association are subject to examination by taxing authorities.

(n) Reclassifications

Reclassifications have been made to certain 2018 balances in order to conform them to the 2019 presentation.

(3) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Association's deposits may not be returned in the event of a bank failure. At June 30, 2019, \$112,645 of the Association's bank balance of \$362,645 was exposed to custodial credit risk as it was uninsured and uncollateralized.

(4) Investments in CUNY Investment Pool and Related Investment Income

The Association's investments in the investment pool comprise assets which are pooled and invested by and under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY. Pooled investments include equity and fixed income securities. Investments as of June 30, 2019 and 2018, are comprised of the following:

	<u>2019</u>	<u>2018</u>
Investments in CUNY investment pool, short-term	\$ 39,996	37,865
Investments in CUNY investment pool, long-term	<u>759,918</u>	<u>719,433</u>
Total investments	\$ <u>799,914</u>	<u>757,298</u>

YORK COLLEGE ASSOCIATION, INC.
Notes to Financial Statements, Continued

(4) Investments in CUNY Investment Pool and Related Investment Income, Continued

The following table summarizes the activity for financial instruments in 2019 and 2018:

Balance at July 1, 2017	\$ 711,239
Interest and dividends	3,215
Realized gain	10,992
Unrealized gain	<u>31,852</u>
Balance at June 30, 2018	757,298
Interest and dividends	11,420
Realized gain	121,106
Unrealized loss	<u>(89,910)</u>
Balance at June 30, 2019	\$ <u>799,914</u>

A summary of investment gain for the years ended June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 11,420	3,215
Realized gains	121,106	10,992
Unrealized gain (loss)	<u>(89,910)</u>	<u>31,852</u>
Total investment gain	\$ <u>42,616</u>	<u>46,059</u>

(5) Capital Assets

At June 30, 2019 and 2018, capital assets consisted of the following:

	2019			
	Beginning balance	Additions	Disposals	
Furniture and equipment	\$ 158,507	45,027	-	203,534
Less accumulated depreciation	<u>(157,908)</u>	<u>(599)</u>	-	<u>(158,507)</u>
Capital assets, net	\$ <u>599</u>	<u>(44,428)</u>	-	<u>45,027</u>
	2018			
	Beginning balance	Additions	Disposals	
Furniture and equipment	\$ 158,507	-	-	158,507
Less accumulated depreciation	<u>(152,425)</u>	<u>(5,483)</u>	-	<u>(157,908)</u>
Capital assets, net	\$ <u>6,082</u>	<u>(5,483)</u>	-	<u>599</u>

YORK COLLEGE ASSOCIATION, INC.
Notes to Financial Statements, Continued

(6) Donated Space and Services

The Association utilizes certain professional services and facilities provided by the College. The estimated fair values of professional services and facilities are included in the accompanying statements of revenue, expenses and changes in net position. Professional services and facilities for the years ended June 30, 2019 and 2018 amounted to the following:

	<u>2019</u>	<u>2018</u>
Professional services	\$ 230,620	259,423
Facilities	<u>3,596</u>	<u>3,248</u>
Total	\$ <u>234,216</u>	<u>262,671</u>

(7) Related Party Transactions

At June 30, 2019 and 2018, the Association owed \$26,345 and \$161,502, respectively, to other York College entities. The Association is occasionally required to transfer funds to/from other York College-related entities during the course of the year for payroll reimbursement and other costs, if any.

The Association has invested \$799,914 and \$757,298 as of June 30, 2019 and 2018, respectively, in the CUNY Investment Pool (note 4) which is under the control of the Committee, a related party.

(8) Deposits Held in Custody for Others

At June 30, 2019 and 2018, the Association held \$2,372 and \$2,293, respectively, which related to deposits held in custody for others, and is comprised of funds which are held on behalf of various other York College Departments.

(9) Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 84 - "Fiduciary Activities." This Statement, issued in January 2017, established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement is effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning July 1, 2019 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

YORK COLLEGE ASSOCIATION, INC.
Notes to Financial Statements, Continued

(9) Accounting Standards Issued But Not Yet Implemented, Continued

GASB Statement No. 87 - "Leases." This Statement, issued in June 2017, increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning July 1, 2020 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

GASB Statement No. 89 - "Accounting for Interest Cost Incurred Before the End of a Construction Period." This Statement, issued in June 2018, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 - "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" which are superseded by this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning July 1, 2020 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

GASB Statement No. 90 - "Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61." This Statement, issued in August 2018, seeks to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and sets parameters as to whether a majority equity interest is to be reported as an investment or component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning July 1, 2019 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

GASB Statement No. 91 - "Conduit Debt Obligations." This Statement, issued in May 2019, requires a single method be used for the reporting of conduit debt obligations. The focus of the Statement is to improve financial reporting by eliminating diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, which is the fiscal year beginning July 1, 2021 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.